

# *Deputy Sheriff Booklet 6*

## **Aetna Life Insurance**

Although these benefit descriptions include certain key features and brief summaries of King County deputy sheriff benefit plans, they are not detailed descriptions. If you have questions about specific plan details, contact the plan or Benefits and Retirement Operations. We've made every attempt to ensure the accuracy of this information. However, if there is any discrepancy between the benefit descriptions and the insurance contracts and other legal documents, the contracts and legal documents will always govern. King County intends to continue benefit plans indefinitely, but reserves the right to amend or terminate them at any time in whole or in part, for any reason, according to the amendment and termination procedures described in the legal documents. King County, as plan administrator, has the sole discretionary authority to determine eligibility for benefits and to construe the terms of the plans. This information does not create a contract of employment between King County and any employee.

**Call 206-684-1556 for alternate formats.**



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## Overview

### ► Highlights of Aetna Life Insurance

Here are a few highlights of your life insurance:

- Basic and enhanced life insurance is provided by Aetna Life Insurance Company
- You automatically receive \$6,000 basic life insurance paid by the county
- Family members you enroll each receive \$1,000 basic life insurance paid by the county
- You may purchase additional (“enhanced”) life insurance for yourself
- Accelerated or living benefits may be available in the event of terminal illness
- Premium waiver may be available if you become disabled
- You have options to continue life insurance when you leave county employment.

### ► Important Facts

Many important topics – including laws, regulations and county provisions – affect more than just this plan and can change frequently. To be more efficient, and avoid repetition, the following related information appears only in the Important Facts booklet:

- Who’s eligible for coverage
- How to enroll
- When coverage begins
- Changes you can make to your coverage
- When coverage ends
- What happens to coverage in different situations
- Your rights and responsibilities under the plans.

## Cost

The county pays the cost of \$6,000 basic life insurance for you and \$1,000 basic life insurance for each family member you enroll.

You may purchase enhanced life insurance equal to your base annual salary (rounded to the next higher \$1,000) less the \$6,000 basic life amount. If you purchase enhanced life insurance, you pay a monthly premium through payroll deduction. Cost depends on your base annual salary. (Enhanced life insurance is not available for your family members.)

## Amount of Coverage

### ► Basic Life for You and Your Family

You automatically receive county-paid basic life insurance. If you die, the beneficiaries you designate receive a lump sum of \$6,000. The lump sum is divided among your beneficiaries according to your beneficiary designation.

Family members you enroll receive basic life insurance paid by the county. If a family member dies, you receive a lump sum of \$1,000.

### ► Enhanced Life for You

You may purchase enhanced life insurance equal to your base annual salary (rounded to the next higher \$1,000) less the \$6,000 basic life amount. If you die, your beneficiaries receive your enhanced life benefit in addition to your county-paid basic life insurance benefit. (Your base annual salary is your base pay excluding overtime, bonuses or premium or any other special pay.)

**Increases in Coverage.** Since the amount of your enhanced benefit is based on your base annual salary, it automatically increases as your salary increases.

Adjustments to the life insurance benefit due to a salary change (or change request based on a qualifying event; see “Changes You May Make When a Qualifying Event Occurs” in the Important Facts booklet) automatically occur the first of the month following the salary change or change request, if you’re actively at work that day. If the change occurs on the first of the month, the adjustment becomes effective the same day. Otherwise the adjustment occurs on the first of the month following the date you return to active work.

Adjustments to the life insurance benefit due to an open enrollment change request (when evidence of insurability is required; see next section) become effective the first of the month following the date EOI is approved, if you’re actively at work that day. If EOI is approved the first of the month, the adjustment becomes effective the same day. Otherwise the adjustment occurs on the first of the month following the date you return to active work.

## **Evidence of Insurability**

EOI is any statement of proof of a person’s physical condition, occupation or other factor affecting his or her acceptance for insurance. An EOI application is provided by Benefits and Retirement Operations (when EOI is required under the policy) for you to complete and return directly to Aetna within 31 days of receipt.

EOI is not required for the basic coverage you and your enrolled family members receive, nor is it required for enhanced coverage if you elect it when you first enroll or when a qualifying event occurs (see “Changes You May Make When a Qualifying Event Occurs” in the Important Facts booklet). However, EOI is required if you elect enhanced coverage during open enrollment.

## **Beneficiaries**

You automatically receive a basic life insurance benefit (and may elect enhanced life, too) and need to designate one or more beneficiaries – individuals who receive your benefit in the event of your death. A Beneficiary Designation form is provided when you first enroll and is available on the Web and from Benefits and Retirement Operations anytime you need to change beneficiaries (see the Resource Directory booklet).

You may name anyone you wish as your primary or contingent beneficiaries (contingent beneficiaries receive benefits if all primary beneficiaries are deceased at the time of your death). If you don’t designate beneficiaries as primary or contingent on your Beneficiary Designation, all beneficiaries you list are considered primary.

You may designate more than one primary and one contingent beneficiary. When you do, you must assign the percentage of your benefit each beneficiary receives on your Beneficiary Designation. Percentages for all primary beneficiaries must total 100% and percentages for all contingent beneficiaries must total 100%. If you don’t assign percentages, beneficiaries receive equal shares.

If you’re married and do not choose to list your spouse as a primary beneficiary with at least 50% of your benefit, your spouse should review and sign the spouse waiver section of the Beneficiary Designation.

You may change your beneficiary at any time by completing a new Beneficiary Designation and sending it to Benefits and Retirement Operations. Benefits are paid according to the most recently signed form on file. If you don’t name a beneficiary, benefits are paid to your spouse, your children, your parents or your siblings, in that order. If none of them survives you, benefits are paid to your estate.

If you enroll family members for basic life and a covered family member dies, you’re the beneficiary.

## **When Benefits Are Payable**

### **► Death Benefits**

Life insurance benefits are payable if you or a family member dies. However, if a beneficiary is implicated in the death and convicted of the crime, the law usually prohibits the beneficiary from receiving the benefits. Benefits may then be distributed to the contingent beneficiary.

Insurance is paid in a lump sum and not subject to federal income tax (consult your tax advisor for more information on taxes and death benefits).

When a death benefit is under \$10,000, the beneficiary will receive a check. When a death benefit is \$10,000 or more, the beneficiary will receive a checkbook; the lump sum amount is deposited into an Aetna Benefits Checkbook Account in the person's name. This account will earn competitive money market interest rates. The beneficiary receives personalized checks for immediate access to all or part of the funds deposited in the account and may write a check for no less than \$250.

### **► Accelerated Benefits**

In the case of your terminal illness, certain benefits may be paid to you before death. You may elect to receive up to 50% of your life insurance benefit while you're living if the following requirements are met:

- You must have a minimum of \$10,000 of life insurance
- Your life expectancy must be 24 months or less
- Certification of the terminal illness must be provided by a physician legally licensed to practice medicine and accepted by Aetna before accelerated benefits are payable.

While an accelerated benefit claim is pending, Aetna has the right, as often as reasonably necessary, to have you examined by a health or vocational professional of Aetna's choice and at Aetna's expense.

Accelerated benefits are based on the amount of life insurance in effect according to county payroll records on the date Aetna accepts the physician's certification of terminal illness. Accelerated benefits are payable to you in a lump sum. The life insurance benefit is reduced by the amount of the accelerated benefit payment, and the remaining benefit is paid to your beneficiary after death.

Contact Benefits and Retirement Operations for more details about the accelerated benefit option. If you have enhanced life coverage and elect the accelerated benefit, you must continue paying for the enhanced coverage until the coverage ends.

Keep in mind:

- Accelerated benefits can be used to pay for special nursing requirements or hospice arrangements, needed medical equipment or custodial care and other expenses
- Accelerated benefits are payable only once for you
- Your accelerated benefit payment reduces the amount of your life insurance benefit that may be converted to an individual policy
- You're responsible for any taxes due to an accelerated benefit payment
- Your spouse/domestic partner must agree with your accelerated benefit election.

## **Disability Provision**

### **► If You Become Disabled Before Age 60**

If you become disabled before age 60 and notify Benefits and Retirement Operations within 30 days of your last day worked, the county pays to continue the basic life coverage you had on your last day worked. You also have the option of paying to continue the enhanced life coverage you had on your last day for up to 12 months.

Between eight and nine months following your last day worked, apply to Aetna for a premium waiver. If Aetna determines your disability is permanent and total (approves your premium waiver application), it extends the basic and enhanced life coverage you had on your last day worked from the date of Aetna's determination until you reach age 65. This is at no cost to you as long as you remain disabled. (You may apply for premium waiver up to 12 months following your last day worked, but applications received after 12 months may be denied.)

If you convert coverage when you end employment (see "Converting to Individual Whole Life Insurance") and you're then approved for premium waiver, Aetna will cancel the individual policy and return the premiums to you.

You're permanently and totally disabled only if disease or injury stops you from working at your own job or any other job for pay or profit, and it must continue to stop you from working at any reasonable job. A "reasonable job" is defined as any job for pay or profit that you're (or may reasonably become) fitted for by education, training or experience.

To be eligible for premium waiver, you must meet all these requirements:

- Your life insurance must be in force when you become permanently and totally disabled
- You must be under age 60 on the date you last worked
- Your permanent and total disability must have lasted for at least nine months
- You must furnish all proof when requested (Aetna may ask you to have an exam, at its expense, before accepting the proof).

Premium waiver coverage ends when the first of these dates occurs:

- Aetna sends you a request for an exam, but you do not have the exam within 31 days of that date, or Aetna requests proof that you're still permanently and totally disabled and you don't provide the proof within 31 days of that date
- You're well enough to work in any reasonable job
- You start to work in any job for pay or profit
- You reach age 65.

After this coverage has been extended continuously for two years, Aetna will not request an exam or proof more often than once in 12 months. When the extended coverage period ends, you may be eligible to convert to an individual life insurance policy.

If you die while disabled, within 12 months of your last day worked and before applying for a premium waiver (or your application is approved), Aetna pays your beneficiaries the life insurance benefit they would have received had a premium waiver been approved. To pay this benefit, Aetna must receive written notice within 12 months of your death and proof your disability was permanent and total.

### ► **If You Become Disabled After Age 60**

If you become disabled after age 60, before you retire or end county employment, and notify Benefits and Retirement Operations within 30 days of your last day worked, the county pays to continue the basic life coverage you had on your last day for up to 12 months or age 65, whichever occurs first. You also have the option of paying to continue the enhanced life coverage you had on your last day for up to 12 months or age 65, whichever occurs first.

Between eight and nine months following your last day worked, apply to Aetna for a disability determination. If Aetna determines your disability is permanent and total, the county will pay to continue your basic life coverage until you reach age 65, as long as you remain disabled and as long as the county continues to provide the benefit to active employees.

If you do not apply between eight and nine months or your disability determination is not approved by Aetna, your county-paid basic life insurance ends after 12 months or at age 65, whichever occurs first. You may then convert to individual coverage (see "Converting to Individual Whole Life Insurance").

## Filing a Claim

For a death or accelerated claim, you or your beneficiary should contact Benefits and Retirement Operations; staff will help file the claim with Aetna and provide referrals to counseling and other resources as requested.

Aetna processes the claim within 90 days of receipt. If Aetna needs more time, you or your beneficiary will be notified in writing, before the initial 90 days end, of the need for an extension of up to 90 days.

Aetna may, at its own expense, have an autopsy performed to determine a death benefit payment, unless prohibited by law.

If the claim is denied, you or your beneficiary will be notified in writing of reasons for the denial, the right to appeal and the right to obtain copies of all documents related to the claim that the plan reviewed in making the determination.

## Appealing Denied Claims

### ► Claims Denied for Reasons Other Than Eligibility

When a claim is denied for any reason other than eligibility, follow the steps described in this section. However, when a claim is denied for eligibility reasons, follow the steps described in the next section, “Claims Denied Due to Eligibility.”

If you or your beneficiary disagrees with a claim denial, you, your beneficiary or representative (referred to as “you” in the rest of this section) may try to resolve any misunderstanding by calling Aetna and providing more information. If you’d rather communicate in writing or the issue isn’t resolved with a call, you may file a written appeal. You have 60 days after receiving a claim denial notice to file the written appeal. Be sure to include the reasons for the appeal and any information or documentation helpful to reviewing the claim.

Aetna will review the written appeal and notify you of its decision within 60 days after receiving the appeal. If Aetna requires more time, you will be notified in writing that an additional period of up to 60 days is necessary.

Aetna will give you a written decision and explain the specific plan provisions behind the denial (if applicable).

Aetna has sole discretionary authority to determine benefit payment under the life insurance plan; its decision is final and binding. In reviewing your claim, Aetna applies the plan terms and uses its discretion in interpreting plan terms. Benefits are paid only if you meet the eligibility and participation requirements and Aetna determines you’re entitled to the benefits.

If the appeal is denied, you may pursue legal remedies, but you must exhaust this claim appeal process first. If legal action is taken, the suit must be filed within two years after the event the claim is based on. If you do not file a claim or appeal within the specified period, you forfeit the right to further appeal.

### ► Claims Denied Due to Eligibility

If you have eligibility questions or believe you’ve had a claim denied because the plan indicates you or a family member is not covered, call Benefits and Retirement Operations at 206-684-1556. A staff member may be able to resolve the eligibility issue, eliminating the need to file a formal appeal.

If you’d rather communicate in writing or your eligibility issue can’t be resolved with a phone call, you, your beneficiary or representative (referred to as “you” in the rest of this section) may file a written appeal. You have 60 days after receiving an eligibility determination notice (from the county or the plan) to submit a written appeal. It must include:

- Your name and address as well as each covered family member’s name and address (if applicable)



- Hire letter or job announcement, or retirement determination of eligibility
- Your employee ID (as it appears on your pay stub) or Social Security number (even if the appeal is for a family member)
- Reason for the appeal.

Send eligibility appeals to:

King County Benefits and Retirement Operations  
Exchange Building EXC-ES-0300  
821 Second Avenue  
Seattle WA 98104-1598

A Benefits and Retirement Operations staff member will review your appeal and notify you in writing of the eligibility determination within 60 days. If more time is required, you will be notified in writing that an additional period of up to 60 days is necessary.

If your eligibility appeal is denied, the notice will include the plan provision behind the decision and advise you of your right to obtain free copies of relevant documentation.

Benefits and Retirement Operations has sole discretionary authority to determine benefit eligibility under this plan; its decision is final and binding. In reviewing your claim, Benefits and Retirement Operations applies the plan terms and uses its discretion in interpreting plan terms. Benefits are paid only if you meet the eligibility and participation requirements and Benefits and Retirement Operations determines you're entitled to the benefits.

If you believe your appeal was denied because relevant information or documents were not considered, Benefits and Retirement Operations offers the option of filing an appeal addendum within 30 days after receiving the eligibility appeal denial notice. The addendum must include the relevant information or documents. Send eligibility appeal addenda to the same address for eligibility appeals, but to the attention of the Benefits and Retirement Operations Manager.

The manager will review the additional information you provide, consult with appropriate county personnel and notify you in writing of the eligibility determination. The notice will indicate the specific plan provision behind the decision and advise you of your right to obtain free copies of related documentation. It is the manager's exclusive right to interpret and apply the eligibility terms and exercise discretion to resolve all eligibility questions for county employees. Decisions of the manager are final and binding.

If you disagree with your eligibility appeal determination, you may file a grievance with your union or initiate legal action. Any legal action must be within two years of the date you were denied plan participation, or you forfeit your right to legal action.

## **Continuation of Coverage**

### **► Continuing Group Term Life Insurance**

When you end employment with the county for reasons other than disability, you may continue the basic and enhanced group term life insurance that you had on your last day of employment. This is called "portability." Premiums for the continued coverage are paid directly to Aetna and the age-specific group rates may differ from the rates paid by active employees.

To continue coverage, you must request a Portability Application from Aetna and return the completed form with your first premium payment within 31 days of the date your county coverage ends (see the Resource Directory booklet). Coverage is effective on the 32<sup>nd</sup> day if Aetna has received your completed form and first payment. If you die during the 31 days, your beneficiary or estate will receive the full amount of your life insurance coverage in force before it ended. This payment is made under the group policy, whether or not you actually applied to continue coverage. If you applied, any fees or premiums you paid are refunded.

If you continue coverage for yourself, you may also continue the basic group term life insurance you had on your last day of employment for your spouse/domestic partner until age 65 and your dependent children's benefits until age 19 (23 if solely dependent on you for support).

Portability coverage for you is reduced to:

- 65% of the original amount on January 1 following the date you reach age 65
- 40% of the original amount on January 1 following the date you reach age 70
- 25% of the original amount (to a minimum of \$5,000) on January 1 following the date you reach age 75.

Coverage terminates when you turn age 99 or otherwise stop premium payments for continued benefits.

Continued coverage for your spouse/domestic partner and children ends when they attain the limiting age or when your benefits cease; however, they may convert to an individual whole life insurance policy (see "Converting to Individual Whole Life Insurance" below).

### ► **Converting to Individual Whole Life Insurance**

You, your spouse/domestic partner and children may apply to convert group term life insurance to an individual whole life insurance policy if you (the county employee):

- Leave county employment for any reason
- Elect to continue group term life insurance when you leave county employment but discontinue it or lose eligibility for it later.

To convert group term life insurance to an individual whole life insurance policy, you or the covered family member must apply to Aetna within 31 days of the date your group term life insurance coverage ends (see the Resource Directory booklet). If you die during the 31-day conversion period, your beneficiary or estate will receive the full amount of your life insurance coverage. This payment is made whether or not you actually applied to continue coverage. If you applied, any fees or premiums you paid are refunded.

## **Payment of Benefits**

The benefits offered by this plan are insured by Aetna, meaning this is not a self-funded plan. Aetna is financially responsible for claim payments and other costs.